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SECURITY INFORMATIONCENTRAL INTELLIGENCE AGENCY  
**INFORMATION REPORT**

COUNTRY Bulgaria

SUBJECT State Measures Against Production Cooperatives

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2. "The Communist regime in Bulgaria has assigned to the production cooperatives in Bulgaria a transitory role to ease the shift from private craftsmanship to nationalized production throughout the country. Virtually all prospering, well stabilized production co-operatives are being taken over or changed into state enterprises.
3. "In 1952 several restrictions were introduced which indicated the approaching end of production co-operatives:
  - (a) The allocation of new raw materials for production was abolished. The co-operatives were ordered to adapt their production to the utilization of inferior materials, rejected by state industry.
  - (b) As a rule, no new machines were assigned to cooperatives. To obtain a new machine a cooperative now needs a separate permit issued by the Special Commission at the Ministry of Finance. The Commission examines the yearly production plans of co-operatives.
  - (c) For any repair or investment under 50,000 (old) Leva a cooperative must receive each time a separate permit from the District Handicraft-cooperative Union. When the sum needed is over 50,000 Leva a necessary permit must be secured from the Special Commission at the Ministry of Finance. The whole procedure is very burdensome, long, and usually without positive results. This has disastrous results for the smooth functioning of cooperatives.
  - (d) It is more and more difficult to get credit for cooperatives. For example, the Stomana Cooperative at Cabrovo, which in 1951 was able to draw from the State Credit Institute up to 14 million Leva of credit per year, had this credit cut for 1952 to eight million Leva per annum. At the same time the co-operative was advised that this credit would be further cut to five million Leva at the end of 1952. Weak cooperatives, which would be the first to require financial help, are completely deprived of any credit.

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(e) The state enterprises are taking the best technicians and specialists employed in the cooperatives. The Communist Party apparatus and the State have at their disposal many means to force anyone to work where they need him.

4. "For these reasons [REDACTED] the liquidation of production cooperatives in Bulgaria is near."

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